

MERCEDES CITY COMMISSION
REGULAR MEETING
APRIL 16, 2013 - 6:00 P.M.
MERCEDES CITY HALL - COMMISSION CHAMBERS

MEMBERS PRESENT:	Henry Hinojosa	Mayor
	Leonardo Garcia, Jr.	Mayor Pro-Tem
	Jose M. Gomez	Commissioner
	Dianna G. Tovar	Commissioner
	Ricardo Garcia	City Manager
	Juan Molina	City Attorney

MEMBERS ABSENT: Commissioner Rodolfo Rodriguez.

Staff: Amanda Morales, Tony Aguilar, Jesse Villarreal, Hilda Contreras, Hortencia de la Fuente, Marisol Vidales, Chief Olga Maldonado, and Michelle Leftwich.

1.) CALL MEETING TO ORDER.

Mayor Hinojosa called the meeting to order at 6:00 PM.

2.) ESTABLISH QUORUM.

A Quorum of the Commission was present. Commissioner Rodriguez was absent.

3.) INVOCATION.

Commissioner Gomez led the Invocation.

4.) PLEDGE OF ALLEGIANCE.

Mayor Pro-Tem Garcia led the Pledge of Allegiance.

5.) OPEN FORUM-

Jesus Noriega of TxDot addressed the commission to give an update on some projects around Mercedes.

6.) CONSENT AGENDA (ORDINANCE NO. 98-21):

A.) APPROVAL OF MINUTES FOR CITY COMMISSION MEETING (S) HELD APRIL 2, 2013. 8.) APPROVAL OF CONTRACT WITH GAS FOR 17TH STREET UTILITY RELOCATION. C.) REQUEST TO DECLARE ADDITIONAL SURPLUS INVENTORY AND AUTHORIZE DISPOSAL. D.) APPROVAL OF QUARTERLY INVESTMENT REPORT. E.) SECOND AND FINAL READING OF ORDINANCE NO. 2013- 04 ADOPTING THE CITY OF MERCEDES EMERGENCY PLAN. F.) APPROVE BANK OF NEW YORK MELLON TO SERVICE CERTIFICATES OF OBLIGATION SERIES 2006A, 2006 AND 2007. G.) APPROVAL OF FEE BY COUNTY OF HIDALGO FOR TAX ASSESSMENT AND COLLECTION. (#2013/04/16A)

Mayor Pro-Tem Garcia made a motion to approve all items under Consent Agenda as presented. The Motion was seconded by Commissioner Tovar and passed unanimously.

7.) PRESENTATION OF PROCLAMATION - GENTX DAY.

Daisy Solis of GenTX accepted the proclamation on behalf of the organization. Mayor Hinojosa read the proclamation.

8.) DISCUSSION AND POSSIBLE ACTION OF PRELIMINARY AND FINAL PLAT OF RIO RICO NORTH SUBDIVISION.

There was no action taken on this item.

9.) DISCUSSION AND POSSIBLE ACTION RATIFYING THE EXECUTION OF A LOAN FORGIVENESS AGREEMENT AND ESCROW AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD.

The city was awarded a grant in the amount of \$1,395,000. Mayor Pro-Tem Garcia made a motion to ratify the execution of a loan forgiveness agreement and escrow agreement with the Texas Water Development Board. The motion was seconded by Commissioner Tovar and passed unanimously.

10.) DISCUSSION AND POSSIBLE ACTION OF AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF MERCEDES, TEXAS AUTHORIZING THE ISSUANCE OF "CITY OF MERCEDES, TEXAS UTILITY SYSTEM REVENUE BONDS, SERIES 2013"; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS, BY A FIRST AND PRIOR LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE CITY'S COMBINED UTILITY SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SUCH BONDS INCLUDING THE APPROVAL OF AN APPLICATION TO THE TEXAS WATER DEVELOPMENT BOARD AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SUCH BONDS; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, AND DOCUMENTATION RELATING TO A LOAN FORGIVENESS AWARD UNDER THE TEXAS WATER DEVELOPMENT BOARD'S CLEAN WATER STATE REVOLVING FUND PROGRAM COMPLYING WITH THE REQUIREMENTS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; COMPLYING WITH THE REGULATIONS PROMULGATED BY THE TEXAS WATER DEVELOPMENT BOARD; AND PROVIDING FOR AN EFFECTIVE DATE - ORDINANCE NO. 2013-05

Mayor Pro-Tem Garcia made a motion to approve Ordinance No. 2013-05 for City of Mercedes, Texas Utility System Revenue Bonds, Series 2013. The Motion was seconded by Commissioner Gomez who noted that this would cause the utility rates to increase slightly. The motion passed unanimously.

11.) PRESENTATION OF AUDIT FOR FISCAL YEAR 2011-2012.

A representative from City Auditor firm Long, Chilton, LLP presented the audit for fiscal year 2011-2012. He noted some findings that, while not currently a major cause for concern, should be reviewed by the City administration. The finding included a discrepancy in the way that financial records for EDC loan funds are maintained.

12.) FORMAL APPROVAL OF AUDIT FOR FISCAL YEAR 2011-2012.

Mayor Pro-Tem Garcia made a motion to approve the Audit for Fiscal Year 2011-2012. The motion was seconded by Commissioner Gomez and passed with Commissioner Tovar voting against.

13.) DISCUSSION AND POSSIBLE ACTION RATIFYING DEVELOPMENT CORPORATION OF MERCEDES' APPROVAL OF LOAN TO RIO TEX MEATS.

The Loan is for \$50,000 and will help Rio Tex Meats move to a larger facility and hire up to 25 more employees. Mayor Pro-tem Garcia made a motion to approve ratifying Development Corporation of Mercedes' approval of a loan to Rio Tex Meats. The motion was seconded by Commissioner Tovar and passed unanimously.

ADDENDUM

-DISCUSSION AND POSSIBLE ACTION ON CONTINUED AUDIT OF EDC FINDINGS AS WELL AS AUDIT OF LOANS THAT ARE PENDING AND HAVE BEEN DISPERSED AND THE OUTCOME OF SUCH FINDINGS.

Mayor Pro-Tem Garcia and Commissioner Gomez asked that this item be placed on the agenda. There was a lengthy discussion about how staff is currently working to investigate the status of all business at the EDC and what the commissioners hope to accomplish with another audit. Commissioner Gomez made a motion "That we look into these eight accounts loans from beginning to end up to the payment history. How they were approved and the payment schedules dictated in the contract and our auditors can get together with Mr. Aguilar and/or Richard and Michelle." The motion was seconded by Mayor Pro-Tem Garcia and passed with Commissioner Tovar voting against.

Mayor Hinojosa called the meeting into Executive Session at 7:09 PM.

14.) EXECUTIVE SESSION:

-DISCUSSION REGARDING DUTIES AND RESPONSIBILITIES OF THE CITY MANAGER. - TEXAS GOVERNMENT CODE, SECTION 551.074 - PERSONNEL.
-DISCUSSION REGARDING PERSONNEL. - TEXAS GOVERNMENT CODE, SECTION 551.074 - PERSONNEL.
-DISCUSSION REGARDING ACQUISITION OF REAL ESTATE - SECTION 551.072 TEXAS GOVERNMENT CODES ANNOTATED - REAL ESTATE.

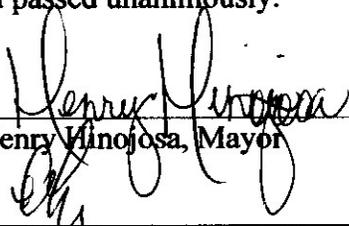
There was no action taken during executive session.

15.) DISCUSSION AND POSSIBLE ACTION REGARDING ITEM(S) DISCUSSED IN EXECUTIVE SESSION.

Mayor Hinojosa called the meeting to order at 8:34 PM. Commissioner Tovar made a motion to instruct Staff to proceed as discussed in executive session. The motion was seconded by mayor Pro-Tem Garcia and passed unanimously.

16.) ADJOURN.

Mayor Pro-Tem Garcia made a motion to adjourn the meeting at 8:35 PM. The motion was seconded by Commissioner Gomez and passed unanimously.

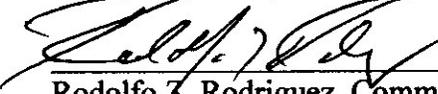


Henry Hinojosa, Mayor

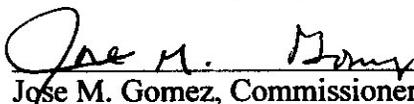
Leonardo Garcia, Jr., Mayor Pro-Tem



Dianna G. Tovar, Commissioner

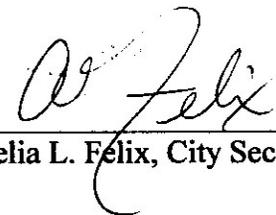


Rodolfo Z. Rodriguez, Commissioner



Jose M. Gomez, Commissioner

ATTEST:



Arcelia L. Felix, City Secretary